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# ***Public Utilities Commission of the State of California***

## ***Results of Public Agenda 3172***

***Meeting Held on Thursday, May 11, 2006 10:00 a.m.***

***San Francisco, California***

### **Commissioners**

**Michael R. Peevey, President**

**John A. Bohn**

**Geoffrey F. Brown**

**Rachelle B. Chong**

**Dian M. Grueneich**

*Website: <http://www.cpuc.ca.gov>*

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### **Scheduled Commission Meetings**

**505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <b><i>Open to the Public</i></b>
Monday, June 12, 2006 (San Francisco)	Thursday, June 15, 2006 (San Francisco)
Monday, June 26, 2006 (San Francisco)	Thursday, June 29, 2006 (San Francisco)
Monday, July 17, 2006 (San Francisco)	Thursday, July 20, 2006 (San Francisco)
Monday, August 21, 2006 (San Francisco)	Thursday, August 24, 2006 (San Francisco)

*\*Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor  
(415) 703-2074 E-mail: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

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## **PUBLIC COMMENT**

**The following items are not subject to public comment:**

- **All items on the closed session agenda; these are HEX and EX items.**
- 

### **Public Comment:**

Re 9:

April Zilber, Felton, CA  
Barbara Sprenger, Felton, CA  
Dominga M. Moldes, Felton, CA  
Frank Adamson, Felton, CA  
Frank Arundel, Windsor, CA  
Jim Graham, Felton, CA  
John Fasolas, Felton, CA  
Larry Ford, Felton, CA  
Michael McClellan, Felton, CA  
Michele Moshe, Felton, CA  
Nancy Gerdt, Felton, CA  
Rod Wilkerson, Felton, CA  
Sabina Perez, San Francisco, CA  
Sister Jacqueline Graham, Sisters of the Presentation, Sunnyvale, CA  
Susan Merritt, Felton, CA

## **Consent Agenda**

*Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.*

## **Orders and Resolutions**

**1**

[5267]

**C88-03-016 - The City of St. Helena, Town of Yountville, County of Napa, Napa Valley Vintners Association vs. Napa Valley Wine Train, Inc.**

Following decisions by the Court of Appeal and the California Supreme Court, this decision denies Petition for Modification filed by Wine Train and closes this proceeding. The denial leaves standing Decision 01-06-034, in which the Commission determined that Wine Train's excursion service is not a public utility service.

(Comr Grueneich - ALJ Vieth)

Agenda 3167, Item 11 2/16/2006 (Brown);

Agenda 3168, Item 1 3/2/2006 (Bohn);

Agenda 3169, Item 3 3/15/2006 (Bohn);

Agenda 3170, Item 3 4/13/2006 (Staff);

Agenda 3171, Item 1 4/27/2006 (Staff)

**Outcome Signed**

[D06-05-003](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**2**

[5422]

**Res ALJ 176-3172**

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.

**Outcome Approved**

[Res ALJ 176-3172](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**3**

[5376]

**R00-02-004 - Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and consumer protection rules applicable to all telecommunications utilities.**

This decision grants \$58,373.00 in intervenor compensation to The Utility Reform Network (TURN) for its further contributions to D04-05-057, approximately \$78,085 less than TURN requested. Only amounts directly attributable to preparing and filing TURN's motion to intervene in federal litigation seeking to overturn D04-05-057, and amounts for preparing its compensation claim, have been allowed.

(Comr Peevey - ALJ McVicar)

Agenda 3170, Item 5 4/13/2006 (Brown);

Agenda 3171, Item 3 4/27/2006 (Grueneich)

**Outcome Held (5/25/06, Consent Agenda. Further consideration.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**4**

[5384]

**Res E-3979 - San Diego Gas & Electric Company (SDG&E).**

SDG&E requests approval of the Pacific Wind renewable resource procurement contract. This contract is approved without modifications. (Advice Letter 1734-E, filed October 2, 2005)

Agenda 3169, Item 15 3/15/2006 (Staff);

Agenda 3170, Item 6 4/13/2006 (Staff);

Agenda 3171, Item 4 4/27/2006 (Staff)

**Outcome Held (5/25/06, Consent Agenda.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**5**

[5438]

**Res T-17002**

This resolution adopts comprehensive procedures and guidelines for eligible telecommunications carrier designation and requirements for eligible telecommunications carriers effective July 1, 2006 in response to Federal Communications Commission Report and Order 05-46.

Agenda 3170, Item 24 4/13/2006 (Staff);

Agenda 3171, Item 7 4/27/2006 (Staff)

**Outcome Held (5/25/06, Consent Agenda.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**6**

[5483]

**A06-01-002 - Crimson California Pipeline, L.P. (Applicant).**

This decision grants Applicant's application to enter revolving credit agreement with Bank of Oklahoma to borrow up to \$10 million and pledge pipeline assets to secure the borrowing. Denies request for nunc pro tunc approval and imposes a fine of \$5,000 for violation of Pub. Util. Code § 851. This proceeding is closed.

(Comr Peevey - ALJ Bemmesderfer)

Agenda 3171, Item 10 4/27/2006 (Staff)

**Outcome Signed**[D06-05-004](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**7**

[5498]

**A00-11-038 - Southern California Edison Company.**

For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 - Related matters. This decision grants the Petition for Modification of D03-10-040 filed by Pacific Gas and Electric company (PG&E). In D03-10-040, the Commission addressed how PG&E and the other investor-owned electric utilities were to remit to cities and counties Municipal Surcharge Fees attributable to power charges collected on behalf of the California Department of Water Resources (DWR). This decision affirms that D03-10-040 does not address PG&E's remittance methodology for municipal surcharges generally, but is limited in applicability to DWR revenues.

(Comr Brown - ALJ Allen)

Agenda 3171, Item 13 4/27/2006 (Staff)

**Outcome Signed**[D06-05-005](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**8 (Rev.)**

[5529]

**A 02-12-027 - Southern California Gas Company.**

For authority to update its gas revenue requirement and base rates. A02-12-028, I03-03-016 - Related matters. This decision clarifies the record and adopts a correct forecast for test year 2004 and attrition year 2005 of the costs billed by Southern California Edison Company to San Diego Gas & Electric Company. These proceedings are closed.

(Comr Brown - ALJ Long)

Agenda 3171, Item 19 4/27/2006 (Bohn)

05/11/2006 - This revision was not shown on the Agenda mailed to the public.

**Outcome Held (5/25/06, Consent Agenda. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**9**

[5540]

**A04-08-012 - California-American Water Company.**

For authority pursuant to Public Utilities Code Section 454 to restructure and consolidate its rates for its Monterey and Felton Districts. This decision finds that Felton FLOW did not make a substantial contribution to D05-09-004, and denies its request for \$49,719 in intervenor compensation. This proceeding is closed.

(Comr Peevey - ALJ McVicar)

Agenda 3171, Item 24 4/27/2006 (Brown)

**Outcome Signed**

[D06-05-006](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**10**

[5552]

**Res E-3988 - San Diego Gas & Electric Company (SDG&E).**

SDG&E submits an Advice Letter requesting approval for an updated revenue requirement associated with the purchase and operation of the Palomar Generation Facility, which includes modifications to SDG&E's Non-fuel Generation Balancing Account and Energy Resource Recovery Account.

SDG&E's request is approved. (Advice Letter 1778-E, filed February 28, 2006)

**Outcome Approved**

[Res E-3988](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**11 Res W-4595 - Graeagle Water Company, Inc. (Graeagle).**

[5555]

This resolution authorizes Graeagle a general rate increase producing additional annual revenue of \$84,810 or 23.2% in 2005 and a consumer price index increase producing additional revenue of \$15,334 or 3.4% in 2006. (Advice Letter 43, filed June 17, 2005)

**Outcome Approved**[Res W-4595](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**12 Res W-4600 - Lake Alpine Water Company, Inc. (Lake Alpine).**

[5588]

This resolution authorizes Lake Alpine an interim rate base offset revenue increase, subject to refund or increase, producing an increase in gross annual revenues of \$76,202 or 23.8%.

**Outcome Approved**[Res W-4600](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**13 R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.**

[5591]

This decision grants the motion of Pacific Gas and Electric Company (PG&E) to withdraw its motion dated December 15, 2005 for a ruling authorizing PG&E to purchase and deliver gas, as needed for electric and gas system reliability purposes, to supply generating units under the California Independent System Operator reliability must run contracts with Calpine Corporation and its affiliates, and to authorize cost recovery. This decision does not prejudice PG&E's ability to renew the motion.

(Comr Peevey - ALJ Brown)

**Outcome Signed**[D06-05-007](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**14**

[5620]

**A05-03-003 - John W. Richardson, as Receiver for the Alisal Water Corporation.**

A05-03-006 - Related matters. This decision approves sale and transfer of Alisal Water Corporation's small water systems to Pajaro Sunny Mesa Community Services District, upon the Receiver's payment of Public Utilities Commission Reimbursement Account fees incurred since the date the District assumed operational responsibility for the small water systems. This decision revises Agenda Item #5164, which was previously withdrawn, to eliminate the prerequisite that the Receiver reimburse Alisal Water Corporation for property taxes and telephone charges incurred since the District assumed operational responsibility, and defers to the United States District Court the resolution of the issue of payment responsibility for costs incurred during that period. Applications 05-03-003 and 05-03-006 are closed.

(Comr Grueneich - ALJ Yacknin)

**Outcome Signed**[D06-05-008](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**15**

[5622]

**A05-08-015 - MobilePro Corp. and American Fiber Network, Inc.**

This decision grants the application of MobilePro Corp. (MobilePro) and American Fiber Network, Inc. (AFN) for the transfer of control of AFN to MobilePro pursuant to Pub. Util. Code §854. This proceeding is closed.

(Comr Peevey - ALJ Prestidge)

**Outcome Signed**[D06-05-009](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**16**

[5625]

**(ECP) C06-01-009 - Ralph Gomez vs. Pacific Gas and Electric Company.**

This decision dismisses the complaint. This proceeding is closed.

(Comr Chong - ALJ Ryerson)

**Outcome Signed**[D06-05-010](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)



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- 17**                    **A05-08-014 - Biviano Medina, LOS CAL-MEX. (Applicant).**  
[5626]                This decision authorizes Applicant to operate as a passenger stage corporation between San Ysidro, Santa Ana, and Los Angeles; and to establish a zone of rate freedom. This proceeding is closed.  
                         (Exam Clark)  
                         **Outcome   Signed**  
                         [D06-05-011](#)  
                         Yes: (Brown, Chong, Grueneich, Peevey)  
                         No: (none)  
                         Abstain: (none)  
                         Absent: (Bohn)
- 18**                    **A05-11-017 - Jose Cardenas Toribio dba Jose Maria Transportation (Applicant).**  
[5627]                This decision authorizes Applicant to operate as a passenger stage corporation between points in the Counties of Los Angeles, Orange, Ventura, San Bernardino, and Riverside, on the one hand, and Los Angeles International, John Wayne, Long Beach, Ontario International, and Burbank Airports, Los Angeles Harbor, and the Los Angeles Amtrak Station, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.  
                         (Exam Clark)  
                         **Outcome   Signed**  
                         [D06-05-012](#)  
                         Yes: (Brown, Chong, Grueneich, Peevey)  
                         No: (none)  
                         Abstain: (none)  
                         Absent: (Bohn)
- 19**                    **Res E-3975 - AT&T, Inc. (AT&T).**  
[5629]                AT&T requests a deviation from California Public Utilities Code Section 320. This resolution grants the request and authorizes AT&T to add approximately twenty miles of aerial fiber optic cables along Highway 89 and Highway 50 on existing joint poles in El Dorado County. Aerial fiber optic cables begin at the intersection of Placer and El Dorado County line, extending south along Highway 89 to South Lake Tahoe; and resume along Highway 50 from AT&T's Meyers Central Office to the Tamarack Central Office. Highway 89 and Highway 50 are within the state scenic corridors.  
                         **Outcome   Held (5/25/06, Consent Agenda.)**  
                         Yes: (none)  
                         No: (none)  
                         Abstain: (none)  
                         Absent: (none)
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**20** **C05-05-030 - Qwest Communications Corporation and Qwest Enterprise America, Inc. vs. Pacific Bell Telephone Company, dba SBC California.**

[5633]

This decision extends the 12-month statutory deadline pursuant to Public Utilities Code Section 1701.2(d) to May 31, 2007.

(Comr Bohn - ALJ Bushey)

**Outcome Signed**

[D06-05-013](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**21** **A05-09-023 - Pacific Gas and Electric Company and County of Plumas.**

[5634]

This decision grants the unopposed application of Pacific Gas and Electric Company (PG&E) and the County of Plumas (the County) for Commission authorization under Pub. Util. Code §851 for PG&E to convey a permanent, non-exclusive drainage easement across a portion of its property located in unincorporated Plumas County. This easement will enable the County to implement a necessary drainage improvement plan in the unincorporated area near to Lake Almanor and will not interfere with PG&E's use of the property as necessary to serve its customers and the public. This proceeding is closed.

(Comr Brown - ALJ Prestidge)

**Outcome Signed**

[D06-05-014](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**22** **A06-02-017 - San Diego Gas & Electric Company (SDG&E).**

[5636]

This decision authorizes SDG&E to issue up to \$800,000,000 of long-term debt and \$200,000,000 in preferred or preference stock. This proceeding is closed.

(Comr Bohn - ALJ Long)

**Outcome Signed**

[D06-05-015](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

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## Regular Agenda

### Energy Orders

**23 (Rev.) A04-12-014 - Southern California Edison Company (SCE).**

[5286]

I05-05-024 - Related matters. This decision addresses the general rate increase request of the Southern California Edison Company (SCE). For test year 2006, SCE is authorized a revenue requirement of \$3,749,292,000, which reflects an increase of \$333,115,000 or 9.75% over the previously authorized level of \$3,416,177,000. The adopted methodology for calculating post-test year revenue requirements results in additional revenue requirement increases of \$143,350,000 (3.82%) for post-test year 2007 and \$192,573,000 (4.95%) for post-test year 2008. On a general rate case (GRC) revenue basis, when reflecting the effect of increased sales for the test year and post-test years, the revenue increases amount to \$273,455,000 (7.87%) for 2006, \$73,541,000 (1.93%) for 2007 and \$104,055,000 (2.61%) for 2008. On a total system revenue basis, the revenue increases amount to 2.74% for 2006, 0.72% for 2007 and 1.00% for 2008. These proceedings are closed.

(Comr Brown - ALJ Fukutome)

Agenda 3167, Item 51 2/16/2006 (Staff);

Agenda 3169, Item 18 3/15/2006 (Staff);

Agenda 3170, Item 54 4/13/2006 (Staff);

Agenda 3171, Item 46 4/27/2006 (Staff)

05/05/2006 - This revision was not shown on the Agenda mailed to the public.

**Outcome Signed**

[D06-05-016](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**24**

[5453]

**R04-01-025 - Order Instituting Rulemaking to establish policies and rules to ensure reliable, long-term supplies of natural gas to California.**

This decision addresses the April 1, 2005, motion of the Ratepayers for Affordable Clean Energy (RACE), which was reclassified as a petition for modification of Decision D04-09-022. RACE's petition for modification seeks to apply the California Environmental Quality Act to the Phase I activities which were reviewed and resolved in D04-09-022. Today's decision concludes that the activities related to the Phase I issues, and which led up to the adoption of D04-09-022, did not amount to a project within the meaning of CEQA and therefore CEQA did not apply to the Phase I activities. Accordingly, RACE's reclassified petition for modification of D04-09-022 is denied. D04-09-022 addressed the Phase 1 proposals of Southern California Gas Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southwest Gas Company regarding interstate pipeline capacity contracts, liquefied natural gas access, and interstate pipeline access. (Comr Peevey - ALJ Wong)

Agenda 3171, Item 48 4/27/2006 (Chong)

**Outcome Signed**

[D06-05-017](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**25**

[5486]

**A05-01-016 - Pacific Gas and Electric Company.**

A05-01-017, A05-01-018 - Related matters. This decision declines to adopt the proposed settlements presented by the parties but instead identifies the Commission's preferred approach to critical peak pricing tariffs that allows for implementation of the settlement tariffs as voluntary rates, effective in Summer 2006, with conversion of all eligible customers to the critical peak pricing settlement tariffs, effective January 1, 2007. The preferred approach provides for bill protection for the first 12 months a customer is on the critical peak pricing tariff, at which point the customer can chose to convert to a standard time of use (TOU) rate. The preferred approach requires the utilities to provide all eligible customers with a bill analysis at the end of the 2006 critical peak period that reflects the customer's actual usage during Summer 2006 under the adopted critical peak pricing rates (as compared to the otherwise applicable TOU rate), and the bill impacts if the customer were to reduce its critical peak period usage by 5, 10, and 20%. The Settling Parties have 20 days from the date of the proposed decision to notify the Commission whether they accept the modified terms. In the event that the Settling Parties do not accept the preferred terms, the Commission will close the applications without adopting critical peak pricing rates, and direct the utilities to incorporate default critical peak pricing tariffs for all eligible customers 200 kilowatts and above into their next comprehensive rate design proceeding. This proceeding is closed.

(Comr Peevey - ALJ Cooke)

**Outcome Held (5/25/06. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**25a**

[5559]

**ALTERNATE TO ITEM 5486**

A05-01-017; A05-01-018 - Related matters. The alternate proposed decision varies from the proposed decision in that it adopts the settlements proposed by Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company. Each utility is ordered to file an Advice Letter to implement the terms of its settlements no later than October 1, 2006, with an effective date of January 1, 2007.

(Comr Bohn)

**Outcome Held (5/25/06. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**26**

[5491]

**R05-10-030 - Order Instituting Rulemaking concerning relationship between California energy utilities and their holding companies and non regulated affiliates.**

This order amends the October 2005 Order Instituting Rulemaking, both as to scope and schedule, and attaches for public review and comment, staff proposals to revise (1) the Commission's Affiliate Transaction Rules and (2) its General Order 77-L, which governs the reporting of compensation paid to executive officers and employees of regulated utilities. The proposed rule revisions apply only to the previously designated Respondents, California's major energy utilities and their holding companies: Southern California Edison Company/Edison International, Pacific Gas and Electric Company/PG&E Corporation, and Southern California Gas Company and San Diego Gas & Electric Company, both owned by Sempra Energy.

(Comr Brown - ALJ Vieth)

Agenda 3170, Item 60 4/13/2006 (Bohn);

Agenda 3171, Item 49 4/27/2006 (Bohn)

**Outcome Held (6/15/06. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**27**

[5558]

**R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension of direct access pursuant to Assembly Bill 1X and Decision 01-09-060.**

This decision resolves the Petition for Modification of Decision 03-09-052, filed by Pacific Gas and Electric Company on July 18, 2005, regarding the applicability of the “Cost Responsibility Surcharge” to new preference power allottee customers for Western Area Power Administration power purchased after 2004.

(Comr Brown - ALJ Pulsifer)

**Outcome Signed**[D06-05-018](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

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**Energy Resolutions and Written Reports****28**

[5403]

**Res G-3385 - Southwest Gas Corporation (SWG).**

SWG requests approval of 2006 attrition year rate relief and other adjustments applicable to its Northern and Southern California Divisions and its South Lake Tahoe District. SWG's attrition adjustment methodology is denied. Other aspects of SWG's request are approved. (Advice Letter (AL) 747, filed October 31, 2005, AL 747-A, filed November 23, 2005)

Agenda 3170, Item 63 4/13/2006 (Bohn);

Agenda 3171, Item 50 4/27/2006 (Bohn)

**Outcome Approved**

[Res. G-3385](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**29**

[5451]

**Res E-3981 - Southern California Edison Company (SCE).**

SCE requests confirmation that costs incurred by SCE pursuant to a standstill agreement entered into with Peabody Western Coal Company and the Black Mesa Pipeline Company are fuel-related costs that can be recorded directly into the Energy Resource Recovery Account balancing account. (Advice Letter 1952-E, filed December 29, 2005)

Agenda 3170, Item 67 4/13/2006 (Staff)

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

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**Telecommunication Resolutions and Reports****30**

[5550]

**Res T-17024 - SBC California (SBC).**

This resolution addresses SBC's monthly and annual ARMIS data on initial and repeat out-of-service intervals for residential customers for 2005. It grants SBC's request for waiver from penalty exemption during months when states of emergency were declared; it grants a penalty waiver for ROOS for all of 2005; it partially denies a waiver for IOOS; and it orders a penalty of \$2.4 million for noncompliance with IOOS standards.

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)



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## Water/Sewer Resolutions and Reports

**31**

[5521]

### **Res W-4594 - Great Oaks Water Company (Great Oaks).**

This resolution authorizes Great Oaks a general rate increase producing an additional annual revenue of \$595,878 or 5.40% for test year 2006-2007. (Advice Letter 173, filed June 24, 2005)

Agenda 3171, Item 55 4/27/2006 (Staff)

**Outcome Approved**

[Res W-4594](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

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**Other Utility Orders****32 (Rev.)      R04-09-003 - Order Instituting Rulemaking on the Commission's own motion for the purpose  
[5106]      of considering policies and guidelines regarding the allocation of gains from sales of energy,  
telecommunications, and water utility assets.**

This decision adopts a process for allocating gains on sale received by certain electric, gas, telecommunications and water utilities when they sell utility land, assets such as buildings, or other tangible or intangible assets formerly used to serve utility customers. In most cases, utility ratepayers should receive 100% of the gain from depreciable property such as buildings, and 50% of the gain from non-depreciable property such as land and water rights, based on our finding that ratepayers bear many of the risks associated with owning such property. The utilities' shareholders should receive the remaining 50% gain on sale, partly to compensate for some financial risk borne by the utility and partly as an incentive to manage its assets wisely. This rule of thumb will apply to routine asset sales where the sale price is \$50 million or less and the after-tax gain or loss from the sale is \$10 million or less. Most ordinary asset sales that come before this Commission for approval should meet these criteria. This decision does not apply to routine retirements of minor utility assets that are no longer used and useful, such as utility poles, transformers, and vehicles, which are governed by Commission depreciation rules and schedules. The rule we develop here will not apply where the asset sale price exceeds \$50 million or the after-tax gain or loss exceeds \$10 million. The rule also does not apply to utility sales of assets of extraordinary character; sales of nuclear power plants; where a party alleges the utility engaged in highly risky and non-utility-related ventures; or where a party alleges the utility grossly mismanaged the assets at issue.

(Comr Brown - ALJ Thomas)

Agenda 3164, Item 57 12/15/2005 (Staff);

Agenda 3166, Item 46 1/26/2006 (Staff);

Agenda 3167, Item 60 2/16/2006 (Chong);

Agenda 3168, Item 32 3/2/2006 (Peevey);

Agenda 3169, Item 28 3/15/2006 (Chong);

Agenda 3170, Item 77 4/13/2006 (Staff);

Agenda 3171, Item 56 4/27/2006 (Brown)

05/05/2006 - This revision was not shown on the Agenda mailed to the public.

**Outcome   Held (5/25/06. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**32a**

[5524]

**ALTERNATE TO ITEM 5106**

This decision adopts a process for allocating gains on sale received by certain electric, gas, telecommunications and water utilities when they sell utility land, assets such as buildings, or other tangible or intangible assets formerly used to serve utility customers. For non-depreciable property, utility ratepayers and ratepayers should split the gains 50-50 based on our finding that both bear risks associated with owning such property. For depreciable property, ratepayers will receive 100% of the gains or losses from the sale. These rules of thumb will apply to routine asset sales where the after-tax sale price is \$50 million or less, or where the gain or loss from the sale is \$10 million or less. The rules we develop here, however, will not apply where the after-tax asset sale price exceeds \$50 million or the gain or loss exceeds \$10 million. The rules also do not apply to utility sales of assets of extraordinary character; sales of nuclear power plants; where a party alleges the utility engaged in highly risky and non-utility-related ventures; or where a party alleges the utility grossly mismanaged the assets at issue.

(Comr Chong)

Agenda 3170, Item 77a 4/13/2006 (Staff);

Agenda 3171, Item 56a 4/27/2006 (Brown)

**Outcome Held (5/25/06. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

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**Legislative Matters - Discussion****33 AB 1853 (Matthews)**

[5394]

Assessment of rail/highway crossings that block emergency vehicles.

Agenda 3169, Item 33 3/15/2006 (Staff);

Agenda 3170, Item 81 4/13/2006 (Staff);

Agenda 3171, Item 57 4/27/2006 (Staff)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**34 SB 850 (Escutia)**

[5397]

Broadband service strategy report by state Chief Information Officer.

Agenda 3169, Item 36 3/15/2006 (Staff);

Agenda 3170, Item 83 4/13/2006 (Staff);

Agenda 3171, Item 58 4/27/2006 (Staff)

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**35 SB 1010 (Florez)**

[5398]

Intermodal facility in Shafter and track capacity reporting requirements.

Agenda 3169, Item 37 3/15/2006 (Staff);

Agenda 3170, Item 84 4/13/2006 (Staff);

Agenda 3171, Item 59 4/27/2006 (Staff)

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**36 SB 1539 (Kehoe)**

[5513]

San Diego Assn. of Governments Energy Working Group.

Agenda 3170, Item 98 4/13/2006 (Staff);

Agenda 3171, Item 60 4/27/2006 (Staff)

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**37**

[5573]

**AB 2104 (Lieber)**

CARE: master-meter customer.

Agenda 3171, Item 61 4/27/2006 (Staff)

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**38**

[5581]

**SB 1311 (Soto)**

Liability waivers: in-language requirements (railroads).

Agenda 3171, Item 69 4/27/2006 (Chong)

**Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**39**

[5584]

**SJR 24 (Murray)**

Telco: Internet network neutrality.

Agenda 3171, Item 72 4/27/2006 (Staff)

**Outcome Approved (Legislative Subcommittee Recommendation: Support bill with technical amendments.)**[SJR 24](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

**40**

[5608]

**AB 2393 (Levine)**

Telecommunications: emergency service.

**Outcome Approved (Legislative Subcommittee Recommendation: Support bill if amended.)**[AB 2393](#)

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

- 41**  
[5609]      **AB 2630 (Benoit)**  
Grade separation project funding.  
**Outcome Held (5/25/06.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 42**  
[5610]      **SB 440 (Speier)**  
Telco: mobile data and mobile telephony services: charges for unauthorized services.  
**Outcome Held (5/25/06.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 43**  
[5611]      **SB 1534 (Alarcon)**  
Coordinated low-income program eligibility assistance.  
**Outcome Held (5/25/06.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 44**  
[5612]      **SB 1705 (Ashburn)**  
Energy: CA Environmental Quality Act: negative declaration: energy infrastructure.  
**Outcome Withdrawn**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 45**  
[5613]      **SB 1753 (Dunn)**  
Public utilities.  
**Outcome Approved (Legislative Subcommittee Recommendation: Oppose bill unless amended.)**  
SB 1753  
Yes: (Brown, Chong, Grueneich, Peevey)  
No: (none)  
Abstain: (none)  
Absent: (Bohn)

**46**

[5614]

**SB 1788 (Bowen)**

Broadband services.

**Outcome Approved (Legislative Subcommittee Recommendation: Support bill with amendments.)**

SB 1788

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)

## Closed Session

*This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the*

### Applications for Rehearing

**48**

[5480]

#### **A04-04-008 - Conference with Legal Counsel - Application for Rehearing**

A04-06-018 - Related matters. Disposition of Application for Rehearing of D05-09-018 filed by Aglet Consumer Alliance. In D05-09-018 the Commission approved the Joint Proposal of Southern California Edison Company and Pacific Gas and Electric Company, with modification, for uniform Economic Development Rate discount tariffs for the two utilities.

Agenda 3170, Item 111 4/13/2006 (Staff);

Agenda 3171, Item 76 4/27/2006 (Staff)

#### **Outcome Held (5/25/06.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**49**

[5556]

#### **A99-04-024 - Conference with Legal Counsel - Applications for Rehearing.**

Disposition of Application for Rehearing of D04-02-025 filed by The Utility Reform Network. In D04-02-025, the Commission adopted capital additions of \$31,782,000 for Southern California Edison Company for non-nuclear generation plant added to rate base from 1997 through March 31, 1998, for non-divested generation plant, and for divested and retained generation plant through July 8, 1998. This amount represents capital additions for environmental, regulatory, safety, and FERC relicensing purposes. The Decision also approved capital addition costs for divested non-nuclear generation plant from 1997 through July 8, 1998, and to maintain plant through December 2001.

Agenda 3171, Item 77 4/27/2006 (Staff)

#### **Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)



**50**

[5568]

**A05-05-010 - Conference with Legal Counsel - Application for Rehearing**

A05-05-013; A05-05-029 - Related matters. The City of Morro Bay (City) and the Coastal Alliance on Plant Expansion (CAPE) applied for rehearing of Resolution (Res.) E-3929, contending Res. E-3929 errs: 1) in substantially modifying the draft resolution without adequate notice and opportunity for comment; 2) in finding attachments to PG&E's AL 2632-E are confidential and for withholding them from the public for a period of six months; 3) in failing to permit the City and CAPE from entering into a non-disclosure agreement to view the confidential documents; and 4) in failing to provide a hearing. In addition, Pacific Gas and Electric Company (PG&E) filed a petition for modification of Res. E-3929 essentially seeking deletion of Ordering Paragraph No. 2 which makes public certain documents currently designated as confidential six months after the issuance of Res. E-3929. That six month period was extended on October 4, 2005 for a period of 15 days following issuance of an order disposing of PG&E's petition for modification. Neither PG&E's AL 2632-E nor Res. E-3929 have docket numbers.

Agenda 3171, Item 78 4/27/2006 (Staff)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**51**

[5619]

**A04-07-044 - Conference with Legal Counsel - Application for Rehearing**

Disposition of applications for rehearing of D05-06-029 filed by the City of Palo Alto (Palo Alto), and the Indicated Producers jointly with the California Manufacturers and Technology Association Utility Audit Company, Inc. (IP/CMTA) In D05-06-029, the Commission resolved all outstanding issues in PG&E's application to allocate certain costs among various rates for natural gas services and to establish gas throughput forecasts upon which to base those rates. In the Decision, the Commission declined to change the current California Alternate Rates for Energy (CARE) surcharge costs Equal Cents per therm (ECPT) allocation, and adopted PG&E's proposal to allocate SGIP costs on an equal cents per therm basis.

**Outcome Signed**

D06-05-019

Yes: (Brown, Chong, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Bohn)